

22 April 2009

Hindustan Zinc Limited

Audited Results for the Fourth Quarter and Year Ended 31 March 2009

Highlights

- Highest ever annual mined and saleable metal production of zinc, lead and silver.
- Strong balance sheet with cash and cash equivalents of Rs. 9,629 crores.
- Hindustan Zinc ranked second best employer in India and also ranked one of the Best Employer in Asia in top 25 Asian Companies, in 2009, in a survey conducted by Hewitt Associates.

Mumbai, 22 April 2009: Hindustan Zinc Limited (“HZL” or the “Company”) today announced its audited results for the fourth quarter (“Q4”) and full year ended 31 March 2009 (“FY 2009”).

Audited Financial Summary

(in Rs crore, except as stated)

	Quarter Ended		Change %	Year Ended		Change %
	2009	2008		2009	2008	
Net Sales/Income from operations	1,263	2,266	(44%)	5,680	7,878	(28%)
Profit After Taxes	551	1,182	(53%)	2,728	4,396	(38%)
Earnings Per Share (Rs.)	13.05	27.98		64.55	104.04	
Production - Mined Metal (Tonnes)						
Zinc	175,438	137,846	27.3%	651,494	551,295	18.1%
Lead	22,266	21,020	5.9%	83,802	77,724	7.8%
Production - Saleable Metal (Tonnes)						
Zinc	150,544	135,491	11.1%	551,724	426,323	29.4%
Lead	15,691	16,989	(7.6%)	60,323	58,247	3.5%
Silver (in Kgs)	35,176	23,839	47.5%	105,055	80,405	30.6%

During Q4 and FY 2009, company recorded its highest ever quarterly and annual zinc mined metal production of 175,438 tonnes and 651,494 tonnes, an increase of 27.3% and 18.1% respectively compared with the corresponding prior periods. The increase in production was primarily on account of the successful commissioning and ramp-up of the stream III concentrator at the Rampura Agucha mine.

During Q4 and FY 2009, refined zinc production was 150,544 tonnes and 551,724 respectively, an increase of 11.1% and 29.4% compared with the corresponding prior periods. The increase in production was primarily on account of the additional production from the ramped-up 88,000 tonnes debottlenecked capacity.

During Q4, refined lead production was lower at 15,691 tonnes compared with the corresponding prior quarter, primarily on account of an unplanned shutdown of the Ausmelt smelter in January 2009. During FY 2009, refined lead production was at 60,323 tonnes, an increase of 3.5% compared with the corresponding prior year.

Sales during Q4 were also augmented by the sale of 25,055 dry metric tonnes of surplus lead concentrate.

During Q4 and FY 2009, HZL achieved a record saleable silver production of 35,176 kilograms and 105,055 kilograms, an increase of 47.5% and 30.6% respectively compared with the corresponding prior periods. The increase in production was primarily on account of increased operational efficiencies and higher silver content in concentrates.

During the year, the total power generated by Company's captive power plants 1,986 MU and wind power projects generated another 230.5 MU of power.

For the year, the positive impact, on sales and profitability, of higher volumes, higher by-product realisations and rupee depreciation was more than offset by the negative impact of lower zinc and lead LME prices and higher input costs.

During Q4 and FY 2009, average zinc prices declined to \$1,174 per tonne and \$1,563 per tonne respectively, compared with \$2,426 per tonne and \$2,992 per tonne in the corresponding prior periods. During the same period, average lead LME was \$1,160 per tonne and \$1,660 per tonne respectively, compared with \$2,891 per tonne and \$2,875 per tonne respectively.

Cost of Production

Cost of production for FY2009 was at the same level as in the previous year. During Q4, cost of production was higher compared with the corresponding prior quarter, primarily on account of lower by-product realisations.

Progress on ongoing projects

Construction activities at the 210,000 tpa zinc smelter and 100,000 tpa lead smelter at Rajpura Dariba is progressing well and is on schedule for completion by mid-2010. Work at the mining projects at Rampura Agucha, Sindesar Khurd and Kayar are also progressing on schedule for progressive commissioning from mid-2010.

Post completion of these projects, Hindustan Zinc will be the largest integrated zinc-lead producer with a capacity of 1,064,000 tpa.

Liquidity and investment

As at 31 March 2009, the Company had cash and cash equivalents of Rs. 9,629 crore. This includes Rs. 6,929 crore in debt mutual funds and Rs. 2,700 crore in fixed deposits with banks. The Company follows conservative investment policy and invests in high quality debt instruments.

Dividend

The board of directors has recommended a dividend of 40% i.e. Rs. 4.00 per equity share of Rs.10/- each for the current year.

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About Hindustan Zinc

HZL is India's leading integrated producer of zinc and is among the world's leading integrated producers. It has a metal production capacity of 754,000 tonnes per annum with its smelter operations situated in Chanderiya, Debari and Visakhapatnam. HZL has lead-zinc mines in Rajpura Dariba, Rampura Agucha, Sindesar Khurd and Zawar. HZL has approximately 6,400 employees. The company is a subsidiary of the NYSE listed, Sterlite Industries (India) Limited (NYSE: SLT) and London listed FTSE 100 diversified metals and mining major, Vedanta Resources plc.

Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.